BUSINESS REPLY MAIL (BRM) COST MODEL
USPS-FY20-21

I. PREFACE

A. Purpose and Content

USPS-FY20-21 documents the worksharing-related savings estimate for Qualified Business Reply Mail (QBRM) letters and cards and the BRM fee cost estimates.

B. Predecessor Document

Docket No. ACR2019, PRC-LR-ACR2019-3 - FY 2019 First-Class Mail, file PRC-FY19-BRM.xlsx.

C. Corresponding Non-Public or Public Document

There is no non-public document that corresponds to USPS-FY20-21.

D. Methodology and Changes

The Business Reply Mail cost model relies on the same cost methodology that was presented by the Postal Service in Docket No. ACR2019, USPS-FY19-21.

Similar to BRM cost model in Docket No. ACR2019, manual letter productivities from USPS-FY15-23, (Docket No. ACR2015) had to be used for preparation of USPS-FY20-21 models. See preface to USPS-FY20-23 for details.

The FY20 *RCR cost per image* figure is erroneous due to outlier volume data in the *RBCS Summary Report* in Enterprise Data Warehouse (EDW). The report provides Input Sub System (ISS) and Image Processing Unit (IPU) images processed counts of non-automation letter mail. Further investigation of the report parameters is necessary. The FY19 RCR cost per image was used as a proxy in the USPS-FY20-21 BRM cost avoidance summary, worksheets *HAND COSTS* and *QBRM COSTS.*

E. Inputs / Outputs

Input Source	Input Description
USPS-FY20-7	Volume variability factors
	Premium pay factors
	Wage rates

	Overhead factors
USPS-FY20-10	CRA adjustment factor, DIOSS Accept Rate
USPS-FY20-23	MODS productivity data
USPS-FY20-24	City carrier piggyback factor
USPS-FY20-25	Operations-specific piggyback factors RCR cost data
2020 RBCS data	RCR images processed ISS / RCR finalization rate
2020 WebEOR data	Outgoing primary acceptance rate
2020 RPW data	Non-letter size BRM shape percentage
USPS-FY15-23	Manual Operations MODS productivity data
2011 PostalOne!	Pieces per account data
2011 Field Study	Productivity data
Docket No. RM2011-5, Order No. 741	RBCS leakage rate
Docket No. ACR2008, USPS-FY08-10	OSS Reject Rates
Docket No. RM2006-1, USPS-LR-34	BRM Practices Study
Docket No. RM2000-1, USPS-T-29	Productivity Data

The Business Reply Mail cost estimate outputs are relied upon to develop the discounts and passthroughs values contained in USPS-FY20-3.